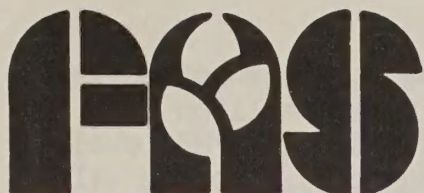


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# REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 6-83

WASHINGTON, Feb. 9--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## GRAIN AND FEED

CANADA intends to revise the 1897 Crows' Nest Pass Agreement, which sets statutory rates for transporting grain. Along with other proposed rail improvements, this would substantially increase Canadian grain handling and transportation capacity--in line with ambitious goals to export 30 million tons of western grain and oilseeds by 1985/86. The Canadians exported 27 million tons of grain and oilseeds in 1981/82.

The heavily subsidized Crows' Nest rate structure has become a drain on government funds and has held back capacity expansion efforts. On average, the West Canadian farmer pays about one-fifth the transportation costs that his U.S. counterpart does. Under the current proposal, the government, farmers and the railroads would share the growing costs of the transportation system more equitably.

A transition period has been proposed that would last through the 1985/86 marketing year. During this time, the Canadian government would pay the difference between the statutory rates and the compensatory rates. However, these annual payments would be fixed and paid on the basis of this season's estimated costs; subsequent year shortfalls would be shared by increased farmer payments. By 1985/86, producers would be paying about 30 percent of the estimated total cost of transporting grain, compared with the current 20 percent.

Total government outlays through 1985/86 are expected to reach \$C3.7 billion, including the purchase of 3,840 hopper cars and considerable branch line rehabilitation.

## OILSEEDS AND PRODUCTS

ARGENTINA's soybean exports in 1983/84 (April-March) could drop 42 percent below previous estimates to 1.7 million tons as a result of dry weather that has seriously affected the crop, according to the U.S. agricultural attache in Buenos Aires. This would be the lowest export level since Argentina entered the world soybean market as a major exporter in 1978.

-more-

LYNN KRAWCZYK, Editor, Tel. (202) 382-9442. Additional copies may be obtained from FAS Information Services Staff, 5918-South, Washington, D.C. 20250. Tel. (202) 447-7937.



Despite lower production and exports, Argentina's soybean crush is expected to increase 27 percent above previous estimates to 1.9 million tons, with soybean meal exports forecast to increase 13 percent above 1982/83 levels and soybean oil exports up about 18 percent. Argentine policies favoring value-added exports explain this apparent contradiction. Soybeans have a 25-percent export tax, while exports of meal and oil are subject to a tax of only 10 percent.

#### DAIRY, LIVESTOCK AND POULTRY

Broiler production in FRANCE, the largest producer in the EUROPEAN COMMUNITY (EC), may decline slightly in 1983 as producers react to low prices. According to the U.S. agricultural counselor in Brussels, broiler production is currently forecast at 820,000 tons, compared with 843,000 tons in 1982. Reduced foreign and domestic demand has led to a buildup in stocks and lower prices. Reportedly, the problem is severe enough that some slaughter plants are considering shutting down until surplus stocks decline.

\*\*\*\*\*

In SPAIN, egg production in 1983 is currently estimated at 12.2 billion by the U.S. agricultural counselor in Madrid. This compares with last year's production of 12.4 billion. In 1982, Spain exported 425 million eggs, primarily to North Africa and the Middle East. With the decline in production in 1983, exports may only reach half that level, resulting in less competition for U.S. egg exporters.

\*\*\*\*\*

POLAND's poultry meat production in 1983 will total about 200,000 tons, less than half the 1981 level for the second year in a row, according to the agricultural attache in Warsaw. The government, which normally does not import any poultry meat, plans to import 100,000 tons during 1983. The most likely suppliers are East European countries (Hungary) and the EC (the Netherlands or France). Poultry meat purchases by Poland will strengthen world prices and should result in some residual benefit to U.S. producers and exporters.

\*\*\*\*\*

Cattle and hog numbers in the SOVIET UNION reached record high levels during 1982 with increases of 1 and 4 percent, respectively, according to the government newspaper Izvestiya. Cattle numbers, which have been expanding slowly since 1981, were reported at 117.1 million head for January 1983. Hog numbers increased to 76.5 million head, after declining during 1980 and 1981.

-more-

## COTTON AND FIBERS

INDIA has announced minimum support prices for 1982/83 season seed cotton at levels about 25 percent above 1980/81 support levels for most varieties of short-, medium- and long-staple cotton. Market prices have declined in recent weeks due to power shortages and the effects of the prolonged Bombay textile strike. The government has asked the Cotton Corporation of India to support the market by large purchases whenever prices fall to or below the support level. No minimum support price levels were established in 1981/82.

## TOBACCO

SOUTH AFRICA's 1983 tobacco crop has been damaged by a shortage of irrigation water resulting from the current drought. Virtually all tobacco is irrigated. The U.S. agricultural attache in Pretoria currently estimates the upcoming harvest (April-July) at 29,746 tons, farm sales weight, down nearly 17 percent from the 1982 crop of 35,720 tons. The current crop is expected to be of average quality, but with poor color.

\*\*\*\*\*

The price of a pack of cigarettes has gone up again in AUSTRALIA. Manufacturers increased retail prices of cigarettes during January by an average of 4 Australian cents (3.76 U.S. cents) per pack of 20, a result of inflation and higher wage and manufacturing costs. Effective Aug. 18, 1982, the government increased the excise duties on tobacco products by approximately 20 percent, the first increase since 1978. The rate for cigarettes was increased to A\$29.70 (US\$27.89) per kilogram. The net effect was an increase in the retail price of the average pack of cigarettes of about 12 Australian cents (11.27 U.S. cents). Together, the excise and price increases have raised the retail price of a pack of cigarettes by an average of 27 Australian cents (25.35 U.S. cents) since July 1, 1981.



## Selected International Prices

Item	: February 1, 1983		: Change from	: A year
			: previous week	: ago
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWRS-13.5%*	198.50	5.40	-0-	N.Q.
U.S. No. 2 DNS/NS: 14%*...	187.00	5.09	-0-	185.25
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	195.00
U.S. No. 2 S.R.W.....	157.00	4.27	-1.00	167.50
U.S. No. 3 H.A.D*.....	169.50	4.61	+5.50	189.75
Canadian No. 1 A: Durum*..	189.00	5.14	-1.00	211.00
Feed grains:				
U.S. No. 3 Yellow Corn....	130.00	3.30	+4.00	126.50
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	145.00
Feed Barley 3/.....	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.....	234.75	6.39	-5.75	258.00
Brazil 47/48% SoyaPellets 4/	226.00	--	-6.50	N.Q.
U.S. 44% Soybean Meal.....	210.50	--	-4.50	237.00
U.S. FARM PRICES 5/				
Wheat.....	130.44	3.55	+3.7	134.11
Barley.....	66.60	1.45	+2.76	94.62
Corn.....	98.81	2.51	+2.36	94.09
Sorghum.....	95.09	4.35 6/	+1.10	87.08
Broilers 7/.....	1016.32	--	+56.66	1012.29
EC IMPORT LEVIES				
Wheat 8/.....	99.52	2.71	-7.32	84.00
Barley.....	107.16	2.33	-2.50	69.45
Corn.....	94.37	2.40	-6.33	99.30
Sorghum.....	90.94	2.31	-8.35	81.90
Broilers 9/.....	308.00	--	+3.00 10/	284.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	180.23	4.91	-1.64	186.95
Bread wheat.....	198.34	5.40	-1.80	215.72
Barley and all				
other feed grains.....	180.23	--	-1.64	186.95
Broilers 12/.....	1057.00	--	-1.00	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	N.Q.	--	-0-	66.43
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	87.42	1.90	-.72	41.60
Broilers 9/.....	209.00	--	+17.00 13/	178.00
Sugar, refined 15/.....	358.00	--	4.00	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. \*\*Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. 15/ For offers accepted during week of Jan. 27 through Feb. 2, based on a maximum subsidy of 37.599 ECU's per 100 kg. N.Q.=Not quoted.

Note: Basis February delivery. \* April-May.



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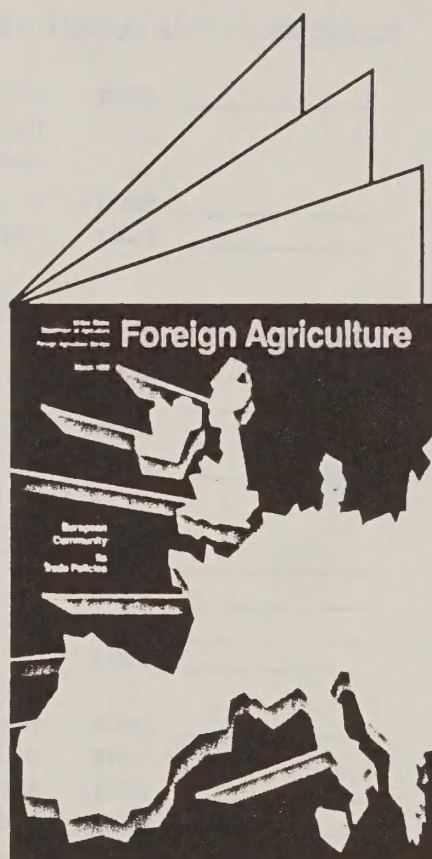
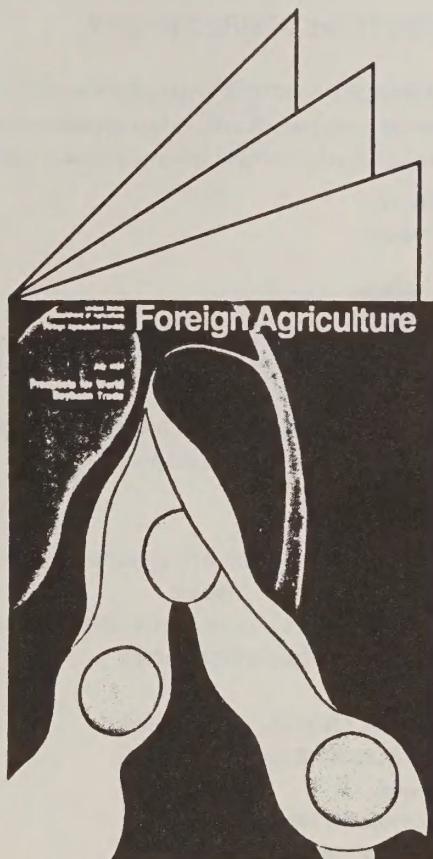
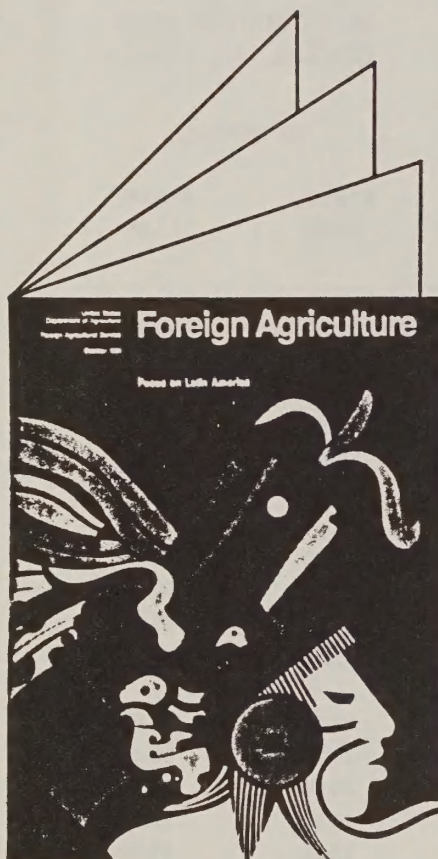
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